

Message Text

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ORIGIN ARA-20

INFO OCT-01 ISO-00 EB-11 CAB-09 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 PM-07 H-03 L-03 NSC-10

PA-04 PRS-01 SPC-03 SS-20 USIA-15 ACDA-19 IO-14

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TO AMEMBASSY PANAMA PRIORITY

C O N F I D E N T I A L STATE 240379

E.O. 11652: GDS

TAGS: ENRG, ETRN, PN

SUBJECT: CIVIL AVIATION - AIR PANAMA OBTAINS COMMITMENT
FOR FUEL THROUGH DECEMBER 23

REFERENCE: PANAMA 6581

SUMMARY: CUT OFF OF CHEVRON'S BONDED JET FUEL WOULD HAVE
FORCED COMPANY EFFECTIVE DECEMBER 7 TO STOP FUEL SUPPLY TO
AIR PANAMA IN MIAMI. PANAMANIAN EMBASSY HAS REQUESTED STATE
DEPARTMENT'S ASSISTANCE TO ALLEVIATE PROBLEM AND DEPARTMENT
HAS ASKED BRANIFF TO VOLUNTARILY SHARE ITS FUEL WITH AIR
PANAMA. AIR PANAMA LAWYER MORNING DECEMBER 7 INFORMED DE-
PARTMENT CLIENT RECEIVED COMMITMENT FROM CHEVRON FOR
100,000 GALLONS THROUGH DECEMBER 23. END SUMMARY

DUE TO CUT OFF OF CHEVRON BONDED JET FUEL SUPPLY THAT
COMPANY EFFECTIVE DECEMBER 7 WOULD NO LONGER BE ABLE TO FUL-
FILL ITS COMMITMENT AS AGENT OF EXXON TO SUPPLY JET FUEL IN
MIAMI TO AIR PANAMA. EMBASSY CLAIMED THAT TALKS WITH EXXON
TO ARRANGE DELIVERIES THROUGH OTHER DISTRIBUTORS IN MIAMI
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HAD BEEN UNSUCCESSFUL.

2. PANAMANIAN EMBASSY OFFICER SAYS THAT AIR PANAMA AND GOP REPRESENTATIVES IN PANAMA HAVE CALLED ON BRANIFF AND PAN AM

OFFICIALS THERE TO REQUEST ASSISTANCE FROM THOSE AIRLINES IN OBTAINING NECESSARY FUEL IN MIAMI FOR AIR PANAMA. THESE REPRESENTATIONS APPARENTLY AS OF 12/6 HAD BEEN UNSUCCESSFUL DESPITE INFERENCE MADE TO U.S. CARRIERS THAT THEY COULD FACE SIMILAR DIFFICULTIES IN OBTAINING FUEL IN PANAMA IF THEY CONTINUED TO EXPRESS INABILITY (I.E. UNWILLINGNESS) TO HELP.

3. IN DISCUSSION DECEMBER 6 WITH PANAMANIAN EMBASSY OFFICER AND AIR PANAMA LAWYER DEPARTMENT OFFICERS RECOMMENDED AIR PANAMA ALSO MAKE REQUEST TO BRANIFF AND PAN AM REPRESENTATIVES IN MIAMI. DEPARTMENT OFFICERS POINTED OUT THAT AIR PANAMA IS ONE OF MANY AIRLINES FACING THIS SITUATION, ALBEIT AIR PANAMA'S SITUATION MORE DRASTIC THAN MOST, AND THAT USG DUE LACK OF LEGISLATION CONCERNING BONDED FUEL ALLOCATION IS NOT IN A POSITION TO OFFER MUCH MORE THAN HORTATORY HELP TO AIR PANAMA.

4. DEPARTMENT AND PANAMANIAN EMBASSY HAVE BOTH CONSULTED DEPARTMENT OF INTERIOR OFFICE OF PETROLEUM ALLOCATION WITH LITTLE SUCCESS.

5. SUBSEQUENT TO DEC. 6 CONVERSATION ARA/PAN ADVISED BY AVIATION OFFICE OF DEPARTMENT ECONOMIC BUREAU THAT LATTER HAD SPOKEN WITH BRANIFF IN AN ATTEMPT TO HAVE THAT COMPANY SHARE ITS REPORTED FUEL SURPLUS WITH AIR PANAMA. BRANIFF HAS NOT YET REPORTED ITS DECISION TO DEPARTMENT. EB BELIEVES PAN AM'S FUEL SUPPLY SITUATION IS SO BAD THAT APPROACH WOULD SERVE NO USEFUL PURPOSE. PAN AM ITSELF BELIEVES IT WILL HAVE TO CLOSE SERVICE OUT OF MIAMI JANUARY 13.

6. MORNING DECEMBER 7 AIR PANAMA WASHINGTON LAWYER JAMES VERNER INFORMED ARA/PAN THAT AIR PANAMA'S MIAMI MANAGER REPORTED "CHEVRON HAS GIVEN COMMITMENT FOR 100,000 GALLONS THROUGH DECEMBER 23 AND THAT THERE WOULD BE NEW ASSIGNMENT
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THEREAFTER." VERNER BELIEVES THIS COMMITMENT IS RESULT OF COMBINATION OF DEPARTMENT APPROACH TO BRANIFF AND STRONG GOP REPRESENTATION WITH BRANIFF, PAN AM AND ESSO STANDARD OIL, S.A.BUT COULD NOT CONFIRM. WHILE CONFIDENT ABOVE INFORMATION RE CHEVRON COMMITMENT WAS ACCURATE, VERNER WARNED THAT AIR PANAMA MIAMI MANAGER IS OFTEN CARRIED AWAY BY OWN ENTHUSIASM SO THAT VERNER WAS NOT 100 PERCENT CERTAIN SUPPLIES WOULD BE AVAILABLE. IN SUBSEQUENT CONVER-

SATION EMBASSY OFFICER INDICATED COMMITMENT WAS DEFINITE

AND THOUGHT THAT DEPARTMENT PHONE CALL TO BRANIFF WAS
INSTRUMENTAL IN DECISION TO SUPPLY AIR PANAMA.

7. DEPARTMENT IS ATTEMPTING TO CONFIRM THAT AIR PANAMA
WILL GET FUEL AND LEARN CAUSE OF NEWLY EXPRESSED WILLING-
NESS OF CHEVRON TO MAKE FUEL AVAILABLE. EMBASSY SHOULD
APPROACH BRANIFF AND PAN AM OFFICIALS IN PANAMA TO INQUIRE
IF THEY HAVE ASSISTED AIR PANAMA AND WHAT THEY PLAN TO DO
IN FUTURE IF CRISIS CONTINUES.

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